

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HOUSE BILL 2569

AN ACT

AMENDING SECTIONS 28-7671 AND 28-7674, ARIZONA REVISED STATUTES; RELATING TO THE HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 28-7671, Arizona Revised Statutes, is amended to
3 read:

4 **28-7671. Definitions**

5 In this article, unless the context otherwise requires:

6 1. "Advisory committee" means the highway expansion and extension loan
7 program advisory committee established by section 28-7672.

8 2. "Eligible HIGHWAY project" means a highway project that is both:

9 (a) On the federal aid system, national highway system or state route
10 or state highway system.

11 (b) Included in either:

12 (i) The department's state highway construction plan.

13 (ii) The transportation improvement plan of a regional association of
14 governments.

15 3. "ELIGIBLE STREET PROJECT OR IMPROVEMENT" MEANS A MAJOR ARTERIAL
16 THAT IS INCLUDED IN EITHER:

17 (a) A CITY'S OR COUNTY'S TRANSPORTATION PLAN.

18 (b) THE TRANSPORTATION IMPROVEMENT PLAN OF A REGIONAL ASSOCIATION OF
19 GOVERNMENTS.

20 3. "Federal SIB act" means section 350 of the national highway
21 system designation act of 1995 (P.L. 104-59; 109 Stat. 618), any regulations
22 adopted pursuant to that section and any other provisions of federal law
23 providing for state infrastructure banks, infrastructure credit programs and
24 other grant programs for highway purposes and any regulations adopted
25 pursuant to those laws.

26 4. "Fund" means the highway expansion and extension loan program
27 fund established by section 28-7674.

28 5. "Indian tribe" means any Indian tribe, band, group or community
29 that is recognized by the United States secretary of the interior and that
30 exercises governmental authority within the limits of any Indian reservation
31 under the jurisdiction of the United States government, notwithstanding the
32 issuance of any patent and including rights-of-way running through the
33 reservation.

34 6. "Loan repayment agreement" means one or more loan agreements,
35 instruments or other agreements providing for repayment of a loan or other
36 financial assistance and entered into by this state or its agencies,
37 including the department, or a political subdivision or Indian tribe.

38 7. "MAJOR ARTERIAL" MEANS AN INTERCONNECTED THOROUGHFARE WHOSE PRIMARY
39 FUNCTION IS TO LINK AREAS IN THE REGION AND TO DISTRIBUTE TRAFFIC TO AND FROM
40 CONTROLLED ACCESS HIGHWAYS, GENERALLY OF REGIONWIDE SIGNIFICANCE AND OF
41 VARYING CAPACITY DEPENDING ON THE TRAVEL DEMAND FOR THE SPECIFIC DIRECTION
42 AND ADJACENT LAND USES.

43 8. "Political subdivision" means a county, city, town or special
44 taxing district authorized by law to construct an eligible project.

1 8. 10. "SIB cooperative agreement" means a cooperative agreement or
2 agreements entered into by the Arizona department of transportation with the
3 United States department of transportation pursuant to this article and the
4 federal SIB act.

5 Sec. 2. Section 28-7674, Arizona Revised Statutes, is amended to read:

6 28-7674. Highway expansion and extension loan program fund

7 A. The highway expansion and extension loan program fund is
8 established. The fund constitutes a state infrastructure bank under the
9 federal SIB act. The state treasurer shall receive in trust, hold and
10 disburse monies in the fund solely for the purposes authorized by this
11 article. The department shall administer the fund as a continuing
12 appropriation in accordance with this article and the federal SIB act. Monies
13 in the fund are exempt from the provisions of section 35-190 relating to
14 lapsing of appropriations.

15 B. The fund consists of:

16 1. Monies appropriated by the legislature.

17 2. Monies derived from board funding obligations delivered pursuant to
18 section 28-7678. These monies shall be separately accounted for and
19 invested.

20 3. Monies designated for deposit in the fund by the transportation
21 board, a state agency or a political subdivision.

22 4. Monies received from the United States government under SIB
23 cooperative agreements, including capitalization grants.

24 5. Monies received from political subdivisions, Indian tribes or this
25 state or its agencies pursuant to agreements entered into pursuant to this
26 article.

27 6. Interest and other income received from investing monies in the
28 fund.

29 7. Gifts, grants, donations or other amounts received from any public
30 or private source for deposit in the fund.

31 C. The board may use monies in the fund for the following purposes in
32 connection with providing financial assistance under this article:

33 1. Making eligible project loans or providing other financial
34 assistance to political subdivisions, Indian tribes and this state or its
35 agencies under section 28-7676.

36 2. Subsidizing interest rates.

37 3. Providing other forms and methods of financial assistance that are
38 approved by the board and, to the extent required by the federal SIB act, by
39 the United States secretary of transportation and that relate to the eligible
40 project with respect to which the assistance is being provided.

41 4. Paying the costs to administer the fund, except that no more than
42 the percentage of the aggregate of federal capitalization grants pursuant to
43 the federal SIB act may be used to pay these costs. Monies from other
44 sources may be used without limit to pay these costs.

1 D. THE BOARD SHALL SET ASIDE UP TO TWENTY MILLION DOLLARS IN THE FUND
2 UNTIL FISCAL YEAR 2012, THAT SHALL BE USED FOR STREET IMPROVEMENTS IN CITIES
3 WITH A POPULATION GROWTH OF AT LEAST FIFTY PER CENT IN THE IMMEDIATELY
4 PRECEDING FIVE YEARS. THE MONIES SET ASIDE BY THE BOARD PURSUANT TO THIS
5 SUBSECTION SHALL NOT INCLUDE MONIES RECEIVED PURSUANT TO SUBSECTION B,
6 PARAGRAPH 4 OF THIS SECTION.

7 D. E. On notice from the board, the state treasurer shall invest and
8 divest monies in the fund as provided by section 35-313, and monies earned
9 from investment shall be credited to the fund.

10 E. F. The board shall use the monies and other assets in the fund
11 solely for the purposes authorized by this article.

12 F. G. The board may establish any accounts or subaccounts in the fund
13 as it determines are necessary or appropriate to carry out the purposes of
14 this article.

15 G. H. All proceeds of capitalization grants received from the United
16 States pursuant to the federal SIB act and title 23, United States Code,
17 shall be deposited in the fund and shall be used only to make loans or
18 provide other financial assistance to political subdivisions, Indian tribes
19 and this state or its agencies to design, construct, acquire right-of-way
20 for, restore or rebuild eligible HIGHWAY projects, for the purposes
21 prescribed in subsection C of this section or for any other purposes
22 permitted by the federal SIB act and title 23, United States Code.